

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **VICE CHAIRMAN DEE BROWN**, on March 27, 2003 at 9 A.M., in Room 455 Capitol.

ROLL CALL

Members Present:

Rep. Dee Brown, Vice Chairman (R)
Rep. Larry Jent, Vice Chairman (D)
Rep. Norman Ballantyne (D)
Rep. Arlene Becker (D)
Rep. Sue Dickenson (D)
Rep. Carol Gibson (D)
Rep. Daniel S. Hurwitz (R)
Rep. Larry Lehman (R)
Rep. Ralph Lenhart (D)
Rep. Alan Olson (R)
Rep. Bernie Olson (R)
Rep. Frank Smith (D)
Rep. Pat Wagman (R)
Rep. Jonathan Windy Boy (D)
Rep. Cindy Younkin (R)

Members Excused: Rep. Debby Barrett, Chairman (R)
Rep. Hal Jacobson (D)
Rep. Don Roberts (R)
Rep. Clarice Schrupf (R)

Members Absent: None.

Staff Present: Sheri Heffelfinger, Legislative Branch
Joan Reiman, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 1, SB 452, HB 753, 3/18/2003
Executive Action: SB 1 TABLED; HB 753 TABLED;
SB 252 NO ACTION; HB 339 NO ACTION
SB 423 BE CONCURRED IN AS AMENDED;

HEARING ON SB 1

Sponsor: SEN. BEA MCCARTHY, SD 29

Opening Statement by Sponsor:

SEN. MCCARTHY said this would let term limits go back to the voters. Since the limits were enacted in 1992, 3/4 of the legislature had turned over. Last year the Supreme Court refused to look at term limits. Other states that had overturned term limits were Oregon and Nevada. Limits increase power to the "unelected bureaucracy," the lobbyists, she stated.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 3.7}

Proponents' Testimony:

John Youngberg, Montana Farm Bureau, said they would have supported limits in 1992, but by 1997 their convention said that they opposed them. It is hard to get good people to run, he stated.

Jerry Driscoll, Representing Himself, said he was voted out; that is an example of how it used to work. The limits are arbitrary.

Margaret Crennen, Former Chair of the Local Government Study Commission, said it should be studied every ten years.

Chris Christiaens, said limits sounded good, but was a mistake. He and SEN. COLE filed the lawsuit which the Supreme Court refused. Two years ago, Idaho repealed their limits, their Governor vetoed, but the courts overturned the veto, he said. He provided written testimony.

EXHIBIT (sth65a01)

Mike Halligan, Former Senator, Missoula, said Montana has one of the last citizen legislatures. "Institutional memory is important," he said. There was a 25-30% turnover before, which mixed in new ideas. With specialization, changes in technology and changes in policy, they need a "few gray-hairs" in the legislature. The limits shifted power from the House to the Senate, from the legislative to the executive branch and to staff, and from rural to urban areas; that's dangerous in an agricultural state, he stated. Senior members in the rural areas remember how things worked before. Now legislators don't have as much time to get into leadership. This is not a partisan issue, [this bill] is good government, he testified.

{Tape: 1; Side: A; Approx. Time Counter: 3.7 - 15.5}

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. JENT and **B. OLSON** had questions for Mr. Halligan. **Mr. Halligan** said the reason why the public is not here to testify for repeal of limits is that they are busy, but the legislature has the public trust to make judgements over time for them. He said frustration with the US Congress generated antigovernment feeling in 1992.

REPS. DICKENSON and **YOUNKIN** had questions for the sponsor. **SEN. MCCARTHY** replied this bill is not necessarily better than other bills addressing limits, but she was asked to carry this. Her constituents want repeal, not retaining control.

{Tape: 1; Side: A; Approx. Time Counter: 15.5 - 23.2}

Closing by Sponsor:

SEN. MCCARTHY said just when legislators begin to understand HB 2 addressing funding, they "are finished."

HEARING ON SB 452

Sponsor: **SEN. MIKE TAYLOR, SD 37**

Opening Statement by Sponsor:

SEN. TAYLOR stated this defines political civil libel. Page 2, Section 4 is the heart of the bill, regarding misrepresentation of voting records; they cannot take information out of context. It creates a vehicle for the CPP to understand the truth, raises fines for violation from \$1,000 to \$5,000.

{Tape: 1; Side: A; Approx. Time Counter: 25 - 29}

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses:

REP. B OLSON asked if this would affect candidates for national office, and it would not.

{Tape: 1; Side: A; Approx. Time Counter: 29 - 29.8}

Closing by Sponsor: The sponsor closed.

HEARING ON HB 753

Sponsor: REP. ROSIE BUZZAS, HD 65

Opening Statement by Sponsor:

REP. BUZZAS said this would be an optional pilot program for candidates' spending limits, to sunset in 2013, for a Montana Clean Campaign Act. Campaigns would be more issue-oriented if they spent less time fund-raising. It would provide funding from income tax checkoffs, candidates' contributions from supporters, and interest income. They could not pay fund raisers. Candidates would raise the money, then the campaign fund would give them a set amount specified in the bill. She provided an amendment.

EXHIBIT (sth65a02)

{Tape: 1; Side: A; Approx. Time Counter: 30.6 - 54}

Proponents' Testimony: None

Opponents' Testimony:

Mike Fellows, Montana Libertarian Party Chair, said a similar bill was introduced last session. Public financing started with the 1974 presidential campaign, and did not prevent the Bush-Gore type problem. Checkoff donations have dropped, and funding will soon be bankrupt, with the public picking up the tab, he said. He wants to let people contribute more.

{Tape: 1; Side: A; Approx. Time Counter: 54 - 66}

Informational Testimony: None

Questions from Committee Members and Responses:

REPS. BECKER, B. OLSON, BALLANTYNE, GIBSON, HURWITZ, YOUNKIN, SMITH and BROWN questioned REP. BUZZAS, Mr. Fellows and Ms. Heffelfinger, to divulge that this would not count for the 2004 election. The way it works is, an exploration period starts the day after the November general election until December 5; candidates do not need to do anything. They can accept money from anyone, and it goes into the fund.

Then they start a qualification period, where they collect 100 donations of \$5, and have to write receipts, and file a report on

them. The fiscal note assumes 50% participation, but it may be only 25% or less. If the candidate signs up, raises the \$500, and the opponent did not join, the candidate is locked in, but they may win by spending more time talking with constituents. They would have time during the exploratory period to see who else signed up.

REP. BUZZAS said this is actually less complicated for campaign secretaries, with fewer reports. It would gain appeal over time; it uses more public money. The checkoffs would be supplemented by those who routinely donate to individuals. The checkoff money may go to candidates whom a voter does not support.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 24}

Closing by Sponsor:

REP. BUZZAS rebutted Mr. Fellows' testimony; the state is not liable if there is not enough money in the voluntary fund, rather it would be self-sustaining. The bill would diminish influence of special interests, she said.

{Tape: 1; Side: B; Approx. Time Counter: 24 - 26.5}

EXECUTIVE ACTION ON SB 1

Motion: **REP. A. OLSON** moved that SB 1 BE CONCURRED IN.

Discussion:

REP. OLSON said this repeals all limits on all state officers. **Ms. Heffelfinger** gave information on two other bills dealing with term limits. **REP. LINDEEN'S** bill passed in the Senate, amended to make it identical to **SEN. TAYLOR'S SB 204**, which this committee had tabled. She said they would have to pick only one of these three. **REP. OLSON** said this bill would come back to them with amendments. **Ms. Heffelfinger** said they could nonconcur on **LINDEEN'S** amended bill or untable SB 204. **REP. OLSON** said SB 204 should remain tabled.

REP. BECKER asked if the Senate would want SB 204 to be untabled. **Ms. Heffelfinger** said that was the bill they liked.

REP. YOUNKIN said **REP. LINDEEN** didn't care if limits applied to just legislators or to other state officers, and that they need to visit with her if they revert her amended bill back.

REP. BROWN said they had already extended term limits. SB 1 repeals them; voters would not pass this. She supports **LINDEEN'S** because they will pass it. **REP. B. OLSON** agreed.

Motion/Vote: REP. WAGMAN moved that SB 1 BE TABLED. Motion carried 15-4 with REPS. A. OLSON, GIBSON, LENHART and YOUNKIN voting no. Proxies were received from REPS. BARRETT, DICKENSON, JACOBSON, ROBERTS and SCHRUMPF.

EXECUTIVE ACTION ON HB 753

Motion: REP. A. OLSON MOVED that HB 753 DO PASS.

Substitute Motion/Vote: REP. WAGMAN moved that HB 753 BE TABLED. Motion carried 16-3 with REPS. GIBSON, LENHART and WINDY BOY voting no by roll call vote. Proxies were received from REPS. BARRETT, DICKENSON, JACOBSON, ROBERTS and SCHRUMPF.

EXECUTIVE ACTION ON SB 452

Motion: REP. OLSON moved that SB 452 BE CONCURRED IN.

Substitute Motion/Vote: REP. OLSON moved that SB 452 BE TABLED. Motion carried 16-3 with REPS. BROWN, WAGMAN, and YOUNKIN voting no. Proxies were received from REPS. BARRETT, DICKENSON, JACOBSON, ROBERTS and SCHRUMPF.

EXECUTIVE ACTION ON SB 252

Motion: REP. OLSON moved that SB 252 BE CONCURRED IN.

Discussion:

REP. A. OLSON said this is for permanent absentee ballots. He asked them to hold off, as he has amendments.

The Motion was withdrawn.

EXECUTIVE ACTION ON SB 339

Motion: REP. GIBSON moved that SB 339 BE CONCURRED IN.

Discussion:

Ms. Heffelfinger explained SEN. COONEY'S bill on voluntary campaign spending conflicts with SB 296; she gave a fact sheet explaining that. REP. BROWN asked to have motion rescinded, as SB 296 will not be heard in committee until next week.

EXHIBIT (sth65a03)

The Motion was withdrawn.

EXECUTIVE ACTION ON SB 423

Motion: REP. YOUNKIN moved that SB 423 BE CONCURRED IN.

Discussion:

Ms. Heffelfinger gave a fact sheet with an amendment on the back of it. She said SB 407 (SEN. DEPRATU) is in Senate Taxation today; it has conflicts with this bill by SEN. BLACK.

EXHIBIT (sth65a04)

Motion: REP. YOUNKIN moved that SB 423 BE AMENDED with a CONCEPTUAL AMENDMENT to CHANGE CONTRIBUTION LIMITS FROM \$50 BACK TO \$35.

Discussion:

REP. YOUNKIN said Page 3. Lines 14 and 29 should replace \$50 with \$35; this seemed to be the biggest problem and the other increases were reasonable.

Vote: Motion carried 17-2 with REPS. A. OLSON and B. OLSON voting no. Proxies were received from REPS. BARRETT, DICKENSON, JACOBSON, ROBERTS and SCHRUMPF.

Discussion:

REP. YOUNKIN asked Ms. Heffelfinger if increases were pegged to keep up with inflation. Ms. Heffelfinger said language had been inserted.

REP. JACOBSON returned from the other committee.

Motion: REP. YOUNKIN moved that SB 423 BE AMENDED with SEN. BLACK'S AMENDMENT.

Discussion:

REP. YOUNKIN explained SEN. BLACK'S amendment. It changed PAC limits on Line 28 from \$1,300 to \$2,150 and Line 30, \$800 to \$1,300. On Page 3, Line 3, insert "prior to the year" and reinsert "general election."

Motion: REP. BALLANTYNE moved that SB 423 BE AMENDED.

Discussion:

REP. BALLANTYNE addressed Line 9, Page 5. REP. YOUNKIN said she wanted to make aggregate PAC limits consistent with today's limits. Ms. Heffelfinger said that was not in SEN. BLACK'S amendment, but they could calculate the inflation factor the same way. Otherwise, there would be laws calculating it two different ways.

Substitute Motion: REP. YOUNKIN made a SUBSTITUTE MOTION that SB 423 BE AMENDED with SEN. BLACK'S AMENDMENT and incorporating REP. BALLANTYNE'S AMENDMENT.

Vote: Motion carried 19-0. Proxies were received from REPS. BARRETT, DICKENSON, ROBERTS and SCHRUMPF.

Motion: REP. A. OLSON moved that SB 423 BE CONCURRED IN AS AMENDED.

Motion: REP. A. OLSON moved that SB 423 BE AMENDED (042301.ash).

Discussion:

Ms. Heffelfinger explained that SB 407 is a tax bill, amending the way the CPI is calculated, based on 1967 base; they are updating the 1982 base now.

Vote: Motion carried 19-0. Proxies were received from REPS. BARRETT, DICKENSON, ROBERTS and SCHRUMPF.

Motion: REP. A. OLSON moved that SB 423 BE CONCURRED IN AS AMENDED.

Discussion:

REP. WAGMAN questioned Page 5, Line 10, about the Consumer Price Index (CPI). Ms. Heffelfinger said CPIU is the Consumer Price Index - All Urban Consumers, which measures real growth by deflating current dollars.

REP. JENT said this whole issue started with I-118; he asked how they have changed it by this bill and the amendment, and what the PAC limit is. Ms. Heffelfinger explained that SB 407 sets it at what it is now; a change in the base of calculating the CPI is that now it is done by rule. The Commissioner of Political

Practices (CPP) would calculate it, and it would be higher, but they can void those limits.

REP. JENT said he wanted to know if SB 423 sets limits above or below what they had been. **Ms. Heffelfinger** said SB 407 will have a ripple effect. The CPP will have to recalculate, no matter what they do with HB 423. **REP. JENT** recapped the different changes.

REP. BALLANTYNE said if either HB 423 or HB 407 passed, it would supercede I-118. **REP. BROWN** disagreed. **Ms. Heffelfinger** said, "I-118 set \$1,000 as a limit and that it was adjusted for inflation as allowed by law. The intent of giving a new figure is to tell the CPP to adjust it up. **REP. YOUNKIN** referenced the first section regarding increase on individual limits; it does raise the I-118 limits. "However," she said, "those numbers should change to index for inflation. CI-75 put everything on the ballot; that was a bad idea, too." She said she is willing to settle for the Senate's amendments.

REP. BROWN said they should not have to go to the voters every time they increase for inflation. **REP. LEHMAN** said the public did not know or care what these numbers were. **REP. BECKER** asked if they had put the inflation factor into Section 1. **REP. YOUNKIN** said they had not; everything else has an inflation factor.

REP. DICKENSON had returned to the room just in time to cast her vote in person.

Vote: Motion carried 11-8 with **REPS. BALLANTYNE, BECKER, GIBSON, DICKENSON, JACOBSON, JENT, LENHART** and **SMITH** voting no. Proxies were received from **REPS. BARRETT, ROBERTS** and **SCHRUMPF**.

{Tape: 1; Side: B; Approx. Time Counter: 26.5 - 55}

{Tape: 2; Side: A; Approx. Time Counter: 0 - 20}

ADJOURNMENT

Adjournment: 11:25 A.M.

REP. DEBBY BARRETT, Chairman

JOAN REIMAN, Secretary

DB/JR

EXHIBIT (sth65aad)